

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **September 10, 2002**

AGENDA ITEM NO.: **12**

CONSENT: **X**

REGULAR:

CLOSED SESSION:

ACTION: **X**

INFORMATION:

(Confidential)

ITEM TITLE: **Repeal Section 18-100.1 of the *City Code* Relating to the Support Fund for Strategic Initiatives**

RECOMMENDATION: Repeal Section 18-100.1 of the *City Code*.

SUMMARY: Due to fiscal challenges, the City has not complied with this section of *City Code* that requires that 15% of all future general fund revenue growth be dedicated to a fund for strategic initiatives on a recurring basis. Staff recommends that this section of the *City Code* be repealed to be consistent with actual practice.

Prior to the fiscal challenges of at least the past three years, monies in the Support Fund for Strategic Initiatives had been allocated as follows: 1/3 of the funds were to be used for economic development activities and 2/3 of the funds were to be used for emerging city projects and activities.

PRIOR ACTION(S): Notification to City Council in the FY 2003 Proposed Budget Transmittal Letter that the City was not in compliance with this *Code* section.

BUDGET IMPACT:. None

CONTACT(S): Bonnie Svrcek, Deputy City Manager, 847-1443, Ext. 224

ATTACHMENT(S): Ordinance to Repeal Section 18-100.1  
*City Code* Section 18-100.1

## **Excerpt from the City Code**

Sec. 18-100.1. Creation of a support fund for strategic initiatives.

(a) In order to provide recurring funds to support economic development activities and to help fund emerging City's projects and activities there is hereby established within the general fund a support fund for strategic initiatives. The support fund for strategic initiatives shall be funded from the following revenue sources.

(i) Beginning on July 1, 1996 15% percent of all future general fund revenue growth shall be dedicated to the support fund for strategic initiatives on a recurring basis.

(ii) Beginning July 1, 1996 any debt service savings resulting from bond refinancings of city capital projects shall be deposited in the support fund for strategic initiatives.

(iii) Any monies remaining in the electrical rate reserve after July 1, 1996 shall be transferred to the support fund for strategic initiatives.

(iv) All monies deposited in the support fund for strategic initiatives shall be invested in accordance with the provisions of all applicable laws and all earnings from such investments shall be redeposited in the support fund for strategic initiatives.

(b) The monies held in the support fund for strategic initiatives shall be used in the following manner: 1/3 of such monies shall be used for economic development activities and 2/3 of such monies shall be used to help meet the funding requirements for emerging city projects and activities.

(c) Beginning with the 1996-97 fiscal year, each fall the city administration shall make an annual report to city council on the status of the support fund for strategic initiatives which report shall include the current funding levels and current funding requirements. (Ord. No. O-95-036, 2-14-95)

## ORDINANCE

AN ORDINANCE TO AMEND THE CODE OF THE CITY OF LYNCHBURG, 1981, BY REPEALING SECTION 18-100.1, THE REPEALED SECTION RELATING TO THE CREATION OF THE SUPPORT FUND FOR STRATEGIC INITIATIVES.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF LYNCHBURG:

1. That the Code of the City of Lynchburg, 1981, be and the same is hereby amended by repealing Section 18-100.1.
2. That this ordinance shall become effective upon its adoption.

Adopted:

Certified:

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Clerk of Council

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